



# Los Angeles County AUDIT COMMITTEE

Louisa Ollague, Chair  
1<sup>st</sup> District  
Lori Glasgow, Vice-Chair  
5<sup>th</sup> District  
Gerardo Pinedo  
2<sup>nd</sup> District  
Genie Chough  
3<sup>rd</sup> District  
Carl Gallucci  
4<sup>th</sup> District

## MEETING MINUTES

April 19, 2007

Chair Louisa Ollague called the meeting to order at 1:15 p.m. in Conference Room 525 at the Kenneth Hahn Hall of Administration.

### Committee Members Present

Louisa Ollague, First District  
Gerardo Pinedo, Second District  
Genie Chough, Third District  
Carl Gallucci, Fourth District  
Lori Glasgow, Fifth District

### Committee Members Absent

None

### Others in Attendance

Jim Schneiderman, Auditor-Controller  
Don Chadwick, Auditor-Controller  
Tim Dietrich, Auditor-Controller  
Terri Kasman, Auditor-Controller  
Nancy Neville, Auditor-Controller  
Guita Sheik, Department of Public Works  
Wendy Tagle, Department of Public Works  
Diego Cadena, Department of Public Works  
Mark Pestrella, Department of Public Works  
Marge Santos, Chief Administrative Office  
Bobette Glover, Community Development Commission  
Richard Lam, Community Development Commission  
Yui Cheng, Community Development Commission  
Karen Smith, Community Development Commission  
Garen Khachian, Board of Supervisors  
Peter Papadakis, Board of Supervisors  
Mireya Rivera, Board of Supervisors

### Approval of Minutes

**On motion of Louisa Ollague, seconded by Carl Gallucci, the Committee unanimously approved the March 15, 2007 minutes.**

### Old Business

#### Community Development Commission – Fiscal Review:

Terri Kasman, Auditor-Controller, provided an overview of the Community Development Commissions (CDC) fiscal review. Ms. Kasman reported that CDC's Executive Director has unlimited authority to transfer funds between expenditure types within the same budget unit. Presently, County departments must obtain Board approval to transfer funds between expenditure types when they exceed \$250,000 per quarter. Subsequent to this review, the Auditor-Controller noted that this unlimited authority to transfer funds was

within the internal policy of the CDC and it was recommended CDC obtain Board approval of this policy. CDC noted that the Board intended to grant this unlimited authority because dollar limitations were not stated in the Board letter in 2000. Four of the five Board offices agree with the unlimited ability and feel satisfied with the level of authority they receive from CDC. CDC acknowledged that projects are not district funded and must obtain Board approval if a contract exceeds \$49,999. Based on discussions with the Board offices, Auditor-Controller is satisfied that the recommendation has been implemented. In response to Carl Gallucci, Karen Smith, reported 6,000 in budget amendments occurred in 2006. Bobette Glover, CDC, reported that the Community Services Block Grant (CSBG) is used for capital improvement projects and that money cannot be moved without Board office consent. Gerardo Pinedo requested that CDC continue reporting to the 2<sup>nd</sup> district with issues that involve their district funds. **The Committee unanimously approved receiving and filing this item.**

Status Report – Board-Requested Reviews of DHS Contract Physician Oversight, Physician Timekeeping Protocols and Investigation of Outside Employment (Board Agenda Item 61-A, July 19, 2005 and Item 85-A, August 30, 2005): **The Committee unanimously approved continuing this item to its May 17, 2007 meeting.**

Fiscal Monitoring of Department of Community and Senior Services' Fiscal Year 2004-05 Domestic Violence Program Service Providers: Gerardo Pinedo asked for clarification of the dollar amount regarding the Department of Community and Senior Services (CSS) Domestic Violence Program Service Providers. Jim Schneiderman reported that the Auditor-Controller was not provided detailed documentation on each cost. **The Committee unanimously approved receiving and filing this item.**

Sunset Review of Board Policy No. 5.100 – Sole Source Contracts: **The Committee unanimously approved continuing this item to its May 17, 2007 meeting.**

Mileage Reimbursement Program: **The Committee unanimously approved receiving and filing this item.**

Consultant's Report on Chief Information Office Operations & Countywide Technology Services: **The Committee unanimously approved receiving and filing this item.**

Fiscal, Program, and Administrative Review of the Department of Public Social Services Fiscal Year 2004-05 Community Services Block Grant and Office of Traffic Safety Education Program Service Providers: **The Committee unanimously approved continuing this item to its May 17, 2007 meeting.**

Board Requested Review of Failed Protocols that Delayed Notification of the County Public Health Officer of a Sewage Spill on August 8, 2006: **The Committee unanimously approved receiving and filing this item.**

Chicana Service Action Center, Inc., Contract – Workforce Investment Act Programs: **The Committee unanimously approved receiving and filing this item.**

Audit of the Los Angeles County Flood Control District for the Year Ended in June 30, 2006: Diego Cadena, Public Works, provided an overview of the criteria used in allocating money per each district/project and explained the two basic sources of funding:

Benefit Assessment

A portion of the funding is received from tax bills totaling \$240 million a year. Legal limitations are involved and Flood Control Act is very specific on how the money is used. Although money is spent building a project in one district, it serves various jurisdictions. Operations and maintenance is a top priority in maintaining flood control systems and Public Works is also focused on water quality compliance. In response to Louisa Ollague, Mark Pestrella reported that \$60 million is spent by Public Works and \$35 million is spent from the Flood Control Fund to ensure clean water compliance. Because the Flood Control District was created in 1915, Mr. Cadena indicated that infrastructures need to be repaired and upgraded to withstand all potential weather conditions. In response to Carl Gallucci, the final approval of an Annual Capital Project Program is determined by the Director of Public Works. Mr. Cadena reiterated the notion that weather conditions and unforeseen circumstances can alter capital projects/budgets at any time. Louisa Ollague asked if there is a methodology Public Works uses in prioritizing projects. Mark Pestrella indicated that the Public Works Watershed Management Division program addresses the improvement of water conservation, flood protection and water quality. The Water Management Division reviews the requirements of a community and solicits information, including other neighboring agencies within/near the area, and develops a list of projects. Public Works maintains direct contact with the Board offices on new projects, or with the cities the project is in.

Flood Control Act

Public Works divides the budget between each of the five Board office districts. Certain projects may be built in one district, but serves the interest for the other districts as well. The merit of the project is reviewed, and the best option is determined. The priority is to maintain the Flood Control System and comply with water quality issues. **The Committee unanimously approved continuing this item to its May 17, 2007 meeting and requested Public Works Deputies to attend and discuss this matter.**

Sunset Review for the Los Angeles County Sybil Brand Commission for Institutional Inspections: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Fiscal Review of Fred Jefferson Memorial – A Foster Family Agency and Group Home Foster Care Contractor: **The Committee unanimously approved continuing this item until the agency's corrective action plan is received.**

Fiscal Review of Cleo's Group Home – A Group Home Foster Care Contractor: **The Committee unanimously approved continuing this item until the agency's corrective action plan is received.**

Reports to be Received and Filed

Department of Justice Settlement Agreement Implementation Summary: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Public Administrator Internal Control Review: Status of Audit Recommendations: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Department of Justice Settlement Agreement – February 2007 Monitoring Results: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Review of Treasurer's Cash and Investments for the Quarters Ended March 31, and September 30, 2006: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

St. Mary Medical Center – Office of Aids Programs and Policy – An HIV/AIDS Preventive Care and Services Contractor: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Group Home Program Monitoring Report – Rites of Passage Residential Centers, Incorporated, Sites 1 and Site 2 Group Homes: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Group Home Program Monitoring Report – The Rainbow Promise Group Home: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Revised Sewage Spill Data: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Children's Group Home Ombudsman's Hotline Status Report – January 1 Through March 31, 2007: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Group Home Program Monitoring Report – Saint Anne's Group Home: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Group Home Program Monitoring Report – The Help Group, Project Six Group Home: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Group Home Program Monitoring Report – San Gabriel Children's Center Group Homes, Incorporated Cypress, Homerest, Nearfield, Norgate, Puente and Rambling Road Group Homes: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Group Home Program Monitoring Report – Community Youth Sports & Arts Foundation Group Home: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Group Home Program Monitoring Report – J.E.E.B. Children’s Foundation Group Home: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Social Model Recovery Systems, Inc. Contract Compliance Review – Mental Health Service Provider: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Status Report Adoptions and Safe Families Act Prop A Analysis (Board Agenda Item 11, February 13, 2007): **The Committee unanimously approved continuing this item to its May 17, 2007 meeting.**

Board Meeting April 17, 2007, Agenda Item 38 – Probation Department Proposition A Contract Analysis: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Department of Justice Settlement Agreement – March 2007 Monitoring Results: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

Department of Justice Settlement Agreement Extension: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved receiving and filing this item.**

#### **Reports to be Received**

Sunset Review of the Los Angeles County Quality and Productivity Commission: **On motion of Carl Gallucci, seconded by Genie Chough, the Committee unanimously approved extending the sunset review date to December 31, 2011.**

Fiscal Review of Transcendence Children & Family Services (Formerly Wilene’s Re-Growth Center) – A Foster Family Agency and Group Home Foster Care Contractor: **The Committee unanimously approved continuing this item to its May 17, 2007 meeting.**

Fiscal Review of Wings of Refuge, Incorporated – A Foster Family Agency Contractor: **The Committee unanimously approved continuing this item to its May 17, 2007 meeting.**

Sunset Review of Board Policy 3.095 – City Annexations and Spheres of Influence: **The Committee unanimously approved continuing this item to its May 17, 2007 meeting, and requested the presence of Board Planning Deputies to attend and discuss this matter.**

2005-2006 Single Audit Report: **The Committee unanimously approved receiving and filing this item.**

Audit of the Sheriff’s Department Commissary Service Contract: **The Committee unanimously approved continuing this item to its May 17, 2007 meeting.**

**Public Comments**

There were none.

**Other Business**

There was none.

**Matters not on the Posted Agenda (to be Presented and Placed on the Agenda of a Future Meeting)**

There were none.

**Adjournment**

There being no further business to conduct, the meeting was adjourned at 2:26 p.m.